

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

August 31, 2021

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is positioned above the name. The signature is stylized and cursive.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**MANAGEMENT OVERVIEW
AUGUST 31, 2021**

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$169.0 million. The balance decreased by \$7.6 million for the month due to cash disbursements for operating expenses and capital expenditures. The cash position is considered sufficient to cover current and future budgetary obligations of the Fund through April 2022.

Due from National Credit Union Share Insurance Fund represents the receivable for expenses paid by the Operating Fund. It had a month-end balance of \$99 thousand.

Other accounts receivable, net had a month-end balance of approximately \$170 thousand. Its balance increased \$70 thousand from prior month primarily due to the receivable from the Central Liquidity Facility for administrative expenses paid by the Operating Fund and payroll receivable.

Accounts payable are trade, relocation and inter-agency payables. The balance decreased by \$64 thousand for the month primarily due to vendor/trade and overhead transfer payables.

Accrued wages and benefits are earned by NCUA staff, but remain unpaid at month-end.

Accrued annual leave is leave earned by NCUA staff, but not yet used.

Statements of Revenues, Expenses, and Changes in Fund Balance

Revenues in excess of expenses totaled \$893 thousand for the month. Operating fees reflect one-twelfth of the 2021 Operating Fees. Expenses, net are after the Overhead Transfer Rate adjustment that allocates 62.3 percent of expenses to the Share Insurance Fund.

Statements of Cash Flows

The cash position decreased 7.6 million from prior month. In the current month, \$7.3 million was used in operating activities and \$339 thousand was used in investing activities. There were no financing activities in the current month.

Other Information

The Agency had 35 vacancies as of month-end which represents 2.9 percent of the total authorized staff of 1,192. Of the 35 vacancies, there was 1 hired position over the authorized positions in the central office and 36 vacancies under the authorized positions in the regions and Asset Management and Assistance Center (AMAC).

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

BALANCE SHEETS

As of August 31, 2021 and 2020

(Dollars in thousands)

	August 2021	August 2020
ASSETS		
Cash and cash equivalents	\$ 169,011	\$ 157,622
Due from National Credit Union Share Insurance Fund	99	97
Employee advances	15	16
Other accounts receivable, Net	170	153
Prepaid expenses and other assets	7,129	6,835
Fixed assets - Net of accumulated depreciation of \$40,940 and \$37,488 as of August 31, 2021 and August 31, 2020, respectively	26,344	29,459
Intangible assets - Net of accumulated amortization of \$27,665 and \$22,326 as of August 31, 2021 and August 31, 2020, respectively	32,078	30,682
TOTAL ASSETS	\$ 234,846	\$ 224,864
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$ 12,859	\$ 7,482
Obligations under capital leases	65	688
Accrued wages and benefits	10,483	9,281
Accrued FECA and unemployment benefits	311	315
Accrued actuarial FECA benefits	4,381	4,276
Deferred revenue ¹	41,417	48,528
Accrued annual leave	25,307	22,393
Note payable to National Credit Union Share Insurance Fund	-	4,135
TOTAL LIABILITIES	94,823	97,098
 FUND BALANCE	 140,023	 127,766
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 234,846	 \$ 224,864

¹The Operating Fund recognizes operating fee revenue ratably over the calendar year. The deferred revenue is the remaining amount to be recognized over the remainder of the calendar year.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

For the periods ended August 31, 2021 and 2020

(Dollars in thousands)

	August 2021	Year-to-Date August 2021	Year-to-Date August 2020
REVENUES			
Operating fees	\$ 10,354	\$ 82,835	\$ 97,062
Interest	6	31	315
Other	44	277	388
Total Revenues	10,404	83,143	97,765
 EXPENSES, NET¹			
Employee wages and benefits	7,337	61,153	58,975
Travel	30	154	1,824
Rent, communications, and utilities	234	1,592	1,430
Contracted services	1,503	12,848	10,418
Depreciation and amortization	289	2,371	1,848
Administrative	118	1,296	1,455
Total Expenses, Net	9,511	79,414	75,950
 EXCESS OF REVENUES OVER / (UNDER) EXPENSES	893	3,729	21,815
 FUND BALANCE—Beginning of period	139,130	136,294	105,951
 FUND BALANCE—End of period	\$ 140,023	\$ 140,023	\$ 127,766

¹ Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate of 62.3% and 61.3% for 2021 and 2020, respectively.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF CASH FLOWS

For the periods ended August 31, 2021 and 2020

(Dollars in thousands)

	August 2021	Year-to-Date August 2021	Year-to-Date August 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ 893	\$ 3,729	\$ 21,815
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	763	6,252	4,775
(Gain) Provision for loss on disposal of assets held for sale	-	-	(11)
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	-	3,163	2,212
Employee advances	-	1	(9)
Other accounts receivable, net	(70)	145	208
Prepaid expenses and other assets	(204)	(3,095)	(2,821)
(Decrease) increase in liabilities:			
Accounts payable	(64)	4,770	(1,820)
Accrued wages and benefits	1,731	(106)	(745)
Accrued FECA and unemployment benefits	-	157	146
Deferred revenue	(10,354)	41,417	48,528
Accrued annual leave	-	2,969	3,448
Accrued employee travel	-	(82)	(708)
Net Cash Provided by/(Used in) Operating Activities	(7,305)	59,320	75,018
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(339)	(1,672)	(10,841)
Proceeds from sale of assets held for sale	-	-	434
Net Cash Provided by/(Used in) Investing Activities	(339)	(1,672)	(10,407)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(893)
Principal payments under capital lease obligations	-	(24)	(588)
Net Cash Provided by/(Used in) Financing Activities	-	(24)	(1,481)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,644)	57,624	63,130
CASH AND CASH EQUIVALENTS—Beginning of period	176,655	111,387	94,492
CASH AND CASH EQUIVALENTS—End of period	\$ 169,011	\$ 169,011	\$ 157,622
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	\$ -	\$ -	\$ 83
CASH PAYMENTS FOR INTEREST	\$ -	\$ -	\$ 53

The balances in the statement above are preliminary and unaudited.